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SUBJECT: LITHUANIA: RESTITUTION LEGISLATION FOR JEWISH COMMUNAL PROPERTY TO PROCEED TO PARLIAMENT

REF:A) 2005 VILNIUS 1222

B) 2005 VILNIUS 283

C) 2004 VILNIUS 1065

1. (SBU) SUMMARY: Lithuania is moving ahead with plans for the restitution of former Jewish communal property, an important element in addressing its Nazi and Soviet legacy. The government's support for restitution remains solid, and the GOL plans to submit the necessary legislation to Parliament for approval within a month. The Prime Minister and other political leaders have given us assurances of their support. Public opinion, however, will likely be against restitution. That, combined with internal disputes within the Jewish community, could mean that the legislation faces a turbulent ride through Parliament. Passage of the restitution law is not guaranteed. Given the USG's longstanding support for restitution, we will expand our outreach efforts to shore up support for the legislation. END SUMMARY.

Background

2. Lithuania has struggled for much of the past 15 years since regaining independence with making restitution for the damages of Nazi and Soviet occupation. It has had some success in this struggle. The government has returned almost all confiscated religious property to Lithuania's various religious communities, and the process of restituting Lithuanian citizens for lost private property is underway. An important exception to this success has been in the area of Jewish communal property ? community centers, clinics, libraries and other property that Lithuania's prewar community held communally. We have worked intensively with U.S. Jewish community representatives and the Brazauskas Government in support of legislation that will establish a restitution process, the proceeds of which will fund the revival of Jewish community life in Lithuania.

3. The government has conducted extensive research on restitutable properties and worked with the Jewish Community of Lithuania and international experts to draft the necessary legislative amendment (ref A). One point, regarding restitution of former health care institutions, remains on the table, but the government plans to introduce the draft legislation during the regular parliamentary session that begins in March.

The Draft Legislation

4. Lithuania's 1995 law on restitution places significant restrictions on claims for communal property and, as a result, the Jewish community has regained only a fraction of the communal property owned by the country's pre-war Jewish population of over 200,000. The government-drafted legislation amends the 1995 law to broaden the definition of communal property and to establish a foundation that will manage the property restituted (or compensation paid) to the Jewish community. A board of directors, consisting of six representatives appointed by the local Jewish community and six by international parties, will manage this foundation. The amendment to the law would allow for the restitution of approximately 150 properties, with an estimated value of USD 200 million. It would also leave open the possibility of further restitution in the future, should experts find evidence that additional properties qualify.

Timeline

5. The government and the Jewish community are putting the final touches on the draft legislation. Final negotiations center on whether to specify health care facilities as a

type of restitutable property. (The Jewish community wants the language in; the government out.) The government intends to submit the draft to Parliament within a month, in time for the next regular session, which begins March 10. It is not clear when Parliament will actually take up the bill, and deliberations could be lengthy.

Government Support Solid...

16. (SBU) Prime Minister Algirdas Brazauskas has long been a driving force of the restitution process. Although his Social Democratic party is now a junior partner in the governing coalition, the backing of his government remains firm. Coalition partner Parliamentary Speaker Arturas Paulauskas is also sympathetic, and recently told the Ambassador that he is "guardedly optimistic" the restitution legislation will successfully pass through Parliament. President Valdas Adamkus, an ex-American citizen, has made well known his support for the cause. Although the Labor Party has avoided any public commitments, Labor leader Viktor Uspaskich has repeatedly assured the Ambassador that he supports restitution and promised to deliver his party's votes.

...But a Rocky Road Ahead?

17. Jewish property restitution has long been a controversial issue in Lithuania. Public opinion, sometimes influenced by anti-Semitism, will almost certainly run against restitution. Some politicians are perplexed as to why there needs to be a "special" process for Jewish property restitution, and argue that the government should be taking care of "Lithuanians" first. Radical politicians from the opposition Liberal Democratic Party have already spoken out loudly against restitution, with some media outlets happy to provide them a forum.

18. (SBU) Internecine conflict within the Jewish community itself also threatens to hamper passage of the bill. Much of the controversy centers on restitution. Several Jewish community and religious leaders contend that Simonas Alperavicius, the official chairman of the Jewish Community of Lithuania, has mismanaged the restitution process, has had difficulty coordinating with local and international experts, and has not always been actively engaged on the matter. Others say he has pushed restitution solely for the benefit of his associates. Most of Alperavicius's detractors have their own vested interests. Leaders of the tiny Kaunas Jewish Religious Community oppose this restitution amendment, having themselves filed competing claims for some of the properties involved. Rabbi Sholom Ber Krinsky has consistently complained that the other Jewish actors in this process have marginalized his Chabad Lubavitch organization, although community leaders have assured him that his group will also benefit (ref C).

19. Meanwhile, Vilius Kavaliauskas, the Prime Minister's advisor for cultural affairs and long-time point man for Jewish property restitution, is embroiled in his own personal scandal involving allegations of Soviet-era activities that may force him to resign. Kavaliauskas' case is pending in the courts but will undoubtedly draw to conclusion before the restitution legislation passes.

Comment: Light at the End of the Tunnel

10. (SBU) Lithuania's work on Jewish communal property restitution is finally approaching the home stretch, but passage is far from certain. Success depends on party discipline: the willingness and ability of the PM, Speaker, and Labor Party leader to deliver their members' votes to get the amendment through; and the ability of the Jewish Community to overcome internal differences and not provide a reason for legislators to hesitate.

11. (SBU) We have already begun an outreach campaign with parliamentarians from all parties to help familiarize them with the issue and international interest in it. We also intend to encourage support from Lithuania's Catholic Church hierarchy, which would positively impact public opinion. We will release a public statement praising the government when it introduces the legislation, and work with President Adamkus to examine how he might be supportive. Encouraging Lithuania to make a just recompense for its Holocaust legacy remains a top Mission goal, and we believe the restitution of Jewish communal property will be an important step forward.

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